

## Benefit-cost analysis

### Advancing the Use of Evidence and Economics in State Government Policymaking

*How can state governments make better use of the growing base of evidence about “what works” and thereby provide taxpayers improved returns on their dollars?*

#### Background

Since the 1990s, the Washington State legislature has directed WSIPP to review research on “what works” (and what does not) in public policy. WSIPP’s work has spanned many topic areas, including criminal justice, education, child welfare, behavioral health, and prevention. In our systematic reviews, we assess the research evidence to identify public policies that improve statewide outcomes of legislative interest; we then estimate the benefits, costs, and risk associated with different options.

In recent years, representatives from other states have contacted us with an interest in duplicating Washington’s approach. The Pew-MacArthur Results First initiative, which funds part of WSIPP’s work, aims to enable other states to take a similar approach as Washington. As part of this project, WSIPP has developed a software-based application that allows analysts to input state-specific data to examine the cost and benefits of various policy choices that impact outcomes of interest to state governments.

WSIPP’s benefit-cost model includes a tool to analyze hypothetical “portfolios” of policy choices in order to forecast the overall impact on outcomes given a combination of policies and programs. In addition to projecting short- and long-term benefits and costs of portfolios, the new tool can also project future high school graduation, crime, and child abuse and neglect rates.

#### The current project

In 2014 and 2015, WSIPP’s “evidence and economics” approach will expand into new research areas, including:

- Medicaid,
- aging,
- public health, and
- workforce training.

WSIPP will also update and substantively extend analyses in previous areas, such as mental health, substance abuse, education, and crime.

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### Marijuana Legalization Evaluation

#### Study Background

In November, 2012, Washington State voters passed Initiative 502 to regulate and tax marijuana for persons twenty-one years of age and older. As part of I-502, WSIPP was directed to “conduct cost-benefit evaluations of the implementation” of the law. The evaluations must include measures of impacts on public health, public safety, marijuana use, the economy, the criminal justice system, and state and local costs and revenues. A preliminary report is due to the legislature by September 1, 2015, with subsequent reports in 2017, 2022, and 2032.

Monitoring Trends in Use Prior to Implementation of I-502

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